

SOCIALIST STUDIES

No. 35 Spring 2000

THE FUTURE OF WORK: OUR VISION OR THEIRS?

FULL EMPLOYMENT? A LESSON FROM HISTORY

CAPITALISM AND THE CLASS SYSTEM

OIL WARS

IS SOCIALISM POSSIBLE?

WORK IN SOCIALISM

MARX AND CAPITAL ACCUMULATION

POLITICAL POWER

**OFFICIAL JOURNAL OF
THE SOCIALIST PARTY
OF GREAT BRITAIN**

Communications to: General Secretary,
71 Ashbourne Court, Woodside Park Road, London N12 8SB

SOCIALISM NEEDS YOU! AND YOU NEED SOCIALISM!

The Problem

Without Socialists there can be no Socialist political organisation and no Socialism. The Socialist Party of Great Britain needs members in order to carry out Party work. We need writers, speakers and distributors of our journal, Socialist Studies, and other Party literature. We need committed Socialists who reject capitalism and accept the urgent need for a new society based upon production for direct social use, not for profit. And we need members who accept and will be prepared to defend the SPGB's Object and Declaration of Principles.

The Solution

The solution is simple. If you agree with our analysis of capitalism, the Socialist objective and the political means required to establish common ownership and democratic control of the means of production and distribution by all of society, then you are already a Socialist. But individual Socialists cannot alone make a marked impact upon Capitalism. The struggle for Socialism has to be an organised one and this requires collective action by the working class.

This is why a Socialist political party is vitally important. It focuses attention on the class struggle and enables workers to act with unity and strength. If you are a Socialist then the first step is to join the Socialist Party of Great Britain. We are not a sect or a cult. There are no intellectuals in the Party, only intelligent men and women who share the same class interests, Socialist ideas and Socialist objective. However, we only want members who agree with the Socialist case and if you do agree with us then we want you as a member.

What Next?

If you agree with the Socialist case then the next step is to apply for membership. We have no leaders. No one will tell you what to do and to think. All we expect is political commitment and enthusiasm to work with other Socialists to achieve the establishment of Socialism. Joining the Socialist Party of Great Britain will be the single most important political decision you will make. One more Socialist is one less worker voting for capitalist parties like Labour, the Conservatives and the Social Democrats. A Socialist party with a growing membership will make an increasing impact on the political class struggle. If you want a world without unemployment, exploitation, war, poverty, discomfort and inequality you should seriously consider joining us. **ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP to The Socialist Party of Great Britain, 71 Ashbourne Court, Woodside Park Road, London N12 8SB**

THE FUTURE OF WORK: OUR VISION OR THEIRS?

What will work be like in the first decades of the 21st century for children of working class parents? Will they find themselves in another economic depression desperately trying to find employment and forced to join the dole queue because employers do not find it profitable to employ them? Will they find themselves in part-time and insecure work? Or will they be in full-time employment exploited and having no control over what they produce and for whom?

These questions are important. They have been given added urgency by a report published in August 1999 by the Department of Trade and Industry entitled **The Future of Work: Looking ahead to 2015**. The DTI report, set within the context of capitalism, argues that the development of the Internet means that so-called "*knowledge workers*" - those who transmit information within and between organisations via computers - are likely to be working by themselves as individuals or in very small groups. No questions are asked of whether workers will want or even enjoy this trend or indeed will have any say in the determination of work patterns of the future. On this the DTI report is silent.

The rise of self-employment has been steady despite falls during the last depression when this group was particularly hit. There are now some 3.5 million self-employed. Again, no questions were asked by the DTI on how vulnerable this group is to the vagaries of capitalism, the long hours and the fact that many people are forced into self-employment by companies looking to reduce the burden of pensions, redundancy money, maternity leave, national insurance, sickness benefits and holiday entitlements.

The vision of the DTI document is from the perspective of capitalism and the interests of the capitalist class. The report offers two trends: the first sees employers traditionally retaining I.T. workers in wage slavery, while the second

sees workers in self-employment selling information systems to many employers, as an electrician or a plumber does today in the construction industry.

The report can be traced to the ideas of the management guru, Charles Handy, who predicts in his book **The Age of Unreason**, that people in the future will not be seeking jobs but 'customers', and short-term contracts, multiple working for more than one employer and part-time work will change the labour-market beyond recognition. Except that it won't, because workers will still be exploited. Bill Gates, the owner of Microsoft, also believes that by the year 2050 half the population of the US will be self-employed with trade unions unable to organise through such a fractured labour market thereby tilting the balance in favour of hire and fire employers.

In all this visionary rhetoric Hamish McCrae, the **Independent's** capitalism supporting economist believes that the internet is "*democratising technology*" by transferring power away from big government and big business to ordinary people. This is arrant nonsense and unsupported by reality. In the year 2050 Mr Gates still expects Microsoft to dominate the IT market. Information under capitalism is a commodity to be bought and sold for a profit. Yet, under competition, as with all new markets, centralisation and concentration creates large capital units and kills off smaller ones. The Cybercafes will be eventually owned by the likes of Tesco and Sainsbury. Companies like Freeserve, owned by Dixons, will dominate the Internet. There are no proposals in the DTI report for the Internet to create common ownership and democratic control. In capitalism big, medium and small businesses are supported by big, medium and small government. Workers, who neither own nor control the means of production, have no interest in the DTI's vision nor the idle speculation of sophists like Handy and intellectual prostitutes like McCrae.

If this is the vision of work in the 21st century seen through the eyes of capitalists and their paid servants, it is one not shared by Socialists.

Our vision, the Socialist vision, sees a future where there is no buying and selling, no private property ownership, no employers, no employment and no employees. Instead we see a future society of free voluntary labour, production for social use and co-operation and free access to what people need to live worthwhile lives. In the Socialist future information technology and the dissemination of information, like all other means of communication, will be used and controlled by everyone without employers and without governments.

This is our vision of work in the future. All of society will determine how they will live and what they will do. A free association of individuals will not have forms of organisation, working patterns and location of work imposed upon them. It is a vision to be found neither in management books, nor in the scribblings of economic journalists, nor in the silly pronouncements of government policy makers and not from parasitical capitalists who live off the wealth created by the working class.

If we want a Socialist future for our children then workers will have to share in this vision by becoming Socialists and taking the conscious and political action necessary to establish common ownership and democratic control. If workers ignore this Socialist vision then they and their children will find the future of employment just as alienating, unpleasant and exploitative as it is now whether the predictions of the DTI report, Handy or Gates are found to be true or not.

"... it is an understatement to identify about half of US production as wasteful, as serving no useful purpose." D Dowd: **The Waste of Nations** (1989)

FULL EMPLOYMENT? A LESSON FROM HISTORY

The myth of full employment is back on the political agenda. in December 1999 the official number of unemployed workers claiming benefit fell by 21,900 taking the jobless rate to 3.9% with the number in employment rising to 27.522 million. The Secretary of State for Education and Employment, David Blunkett, announced in the wake of these figures that he wanted a return to an unemployment rate of under 2%, something not seen since the years after the Second World War. He said:

I am confident that we can move ever closer towards our goal of full employment in the new economic environment. Unemployment remains high by initial post-war standards, and there are many inactive people who can still be brought into the world of work. I will not be satisfied until we reach those post-war records again. (Times, 16 July 1999).

The TUC welcomed the statement by Mr Blunkett. The TUC also have a policy of full employment. Its General Secretary, John Monks said:

They show the economy has avoided recession and that the New Deal strategy is working.

The public sector union, Unison, which is led by the TUC's chief economic spokesman, Rodney Bickerstaffe, also supported the government's full employment strategy.

Is, then, full employment a feasible proposition? Does government policy on unemployment have an effect on the economy? Socialists answer both questions in the negative and have history to support our view.

The Government Full Employment Policy

Many schools of economic thought have worked out more or less crude or more complex theories of controlling crises and high levels of unemployment. The late Lord Keynes has been prominently associated with the body of economic and political ideas that dominated government and economic circles in the late 1940's.

The general idea about the control of depressions was, not that a setback could be avoided, but that it could be prevented from developing into a serious depression. This view has been specifically supported by the TUC to this day and is a belief held by Mr Blunkett who chides the Tories for their "*boom and bust*" economic policies.

However, in 1944 things were different. The three main political parties in the coalition government issued a document "*Employment Policy*" which set out the Keynesian plan for creating full employment and avoiding booms and slumps. And in 1956 the Tory government's document "*The Economic Implications of Full Employment*" claimed that the policies of the 1944 report:

.. have been applied with considerable success. Full employment has, in fact, been maintained in most parts of the country over practically the whole of the past ten years ...

The 1944 policy on full employment can be summarised as follows:

1. Total expenditure of the population was to be prevented from falling, and big variations avoided.
2. To prevent excessive capital investment in a boom, interest rates (the bank rate) would be raised to discourage it.

3. If a depression threatened and private investment began to fall it was believed that the low interest rates would not have much effect in increasing capital investment. The government would therefore try to encourage large companies to expand their investments at such times. The government would also see that central and local authorities would expand investment at these times.
4. The government might hold back some of its own expenditure in a boom and release it in a depression.
5. National Insurance contributions would be increased in a boom and decreased in a depression.

These and various similar ideas were put forward and it was claimed that subject to certain conditions, the result would be full employment and avoidance of serious fluctuations.

The Reality

Did the policy of full employment work? The chief conditions were that prices and wages should be maintained at a stable level and prices not raised as much as to make it difficult to export goods at competitive prices.

The 1944 statement emphasised that the policy depended completely on stable prices and wages: "*Thus, the stability of these two elements is a condition vital to the success of employment policy*" (para 53).

The actual course of events since 1946 is sufficient to destroy completely the claim that the 1944 policy was correct and achieved its object. The consequence is that government policy on full employment is untenable.

It is true that unemployment remained for this long period at an

unprecedentedly low level but this happened in spite of the fact that the "vital condition" of stable prices and wages had not been adhered to. The price level and wage rates rose more or less continuously and stood in the 1960's some 77-80% higher than in 1946.

The obvious conclusion was that "*full employment*" and the avoidance of serious depressions up to the early 1960's had not been through carrying out the 1944 policy.

It should be added that the 1944 document did not ignore the international factors. It admitted that the British government could not itself control them but stated that the government was "*seeking to create, through collaboration between the nations, conditions of international trade which will make it possible for all countries to pursue policies of full employment to their mutual advantage*".

The attempts to get international agreement did not succeed any more than the attempt to achieve a stable internal price level. The 1944 document named as some of the aims of international co-operation "*to ensure reasonably stable exchange rates and to check the swings in world commodity prices which alternatively inflate and destroy the incomes of the primary producers of foodstuffs and raw materials*".

There were in fact many large changes in exchange rates. The pound was devalued in 1949 and currency fluctuations occurred in all the major countries.

International attempts to stabilise world raw material prices also did nothing to prevent enormous fluctuations. Between 1946 and 1951 the index for raw material prices in Britain more than doubled (increase of 130%) and between 1951 and 1960 fell by 20%.

"*Full employment*" in Britain happened in spite of the fact that some parts of

the 1944 Keynes policy were not used and others, considered then to be vital, had completely failed.

In 1958, with registered unemployment at 500,000 it could not be claimed that Keynesian policy had prevented a depression even if the depression was not that serious. The fallacy of sustainable full employment occurred again in 1963 when unemployment reached 747,000, to above a million under the Heath government in 1972, and to 1,600,000 under the Labour government of July 1977. At the moment (December 1999) unemployment stands officially at 1,278,100, a difference of only 278,100 from twenty two years ago. So Blunkett's announcement of full employment is very premature. Currently, no Labour government has left power with employment higher than when they first came into office.

It was observable in previous depressions that their depth and duration could be affected by the emergence of a new industry (like I.T. today), or of capital investment in some country ripe for industrial development. All that Keynes added was a refinement of the old crude idea that the government need only to intervene by spending money and the depression would be over. Even with the refinements that Keynes introduced, the problem is not solved.

If, when a contraction begins in some industries, there are big new industries surging forward (or powerful expansion going on in other old industries) these factors will offset the contraction and the intervention of the government is irrelevant. If the situation is much more unfavourable and capital investment generally is shrinking rapidly, government expenditure will make no headway against a recession.

The 1944 **Statement on Employment Policy** pointed out another limitation on what governments can do. Theoretically Keynesian policy would require the government to hold back expenditure until a depression appears and then release it, but as the Report said "*a large part of the capital expenditure of*

public authorities - for example on housing, schools and hospitals - is dictated by urgent public need, the satisfaction of which cannot readily be postponed to serve the purposes of employment policy".

At most, government spending would in practice, therefore, not be sufficient in amount to make any difference. On the pattern of depressions before Keynesian doctrines came along it may be said that post-war depressions would have taken their course no matter what economic policy government pursued.

The consequence of this historical resume of attempts by governments to ensure sustained full employment is a depressing reminder for the likes of Mr Blunkett and the TUC of the irrelevance of government economic policy in preventing unemployment. Since the last depression in the early 1990's official unemployment has been more or less falling each consecutive month. This tendency was taking place prior to the election of the Labour government in 1997 and the implementation of its New Deal policy. In fact most of the long term unemployed targeted by the New Deal had already found work. The true test of the policy will be when unemployment starts to rise again and we predict, like other economic policies, it will be found wanting as a low rate of unemployment transforms into a higher rate during the next depression.

Marx showed, and subsequent events have confirmed his analysis of capitalism's laws, that, arising from capitalism's inescapable anarchy of production, its progression is the cycle of moderate expansion of production and sales, then boom, then crisis, then depression.

Workers should now begin to see through the failures of government economic policy to solve pressing social problems facing our class. Politicians will always claim the credit in a boom but blame other factors when there is an economic crisis. The truth is that politicians cannot run capitalism but capitalism runs politicians. Capitalism is anarchic and workers all run the risk

of being unemployed either for short or long term periods in their working lives. The only reasonable course of action is to replace the cause of unemployment and that cause is commodity production and exchange for profit. Rather than selling their members the myth of full employment trade unions should be telling their members the truth: capitalism can never be run in their interests.

Unemployment in a Booming Economy

More than 900 job losses in the Midlands were announced on the same day as the rate of employment fell to its lowest for 20 years. Two TRW Automotive Electronic factories in Birmingham, formerly part of Lucas Industries, are sacking 415 workers in a bid to stop losses. In Lichfield, Staffordshire, Alstrom T&D, an electrical engineering group said it was laying off up to 530 staff over the next year because of demands from its French parent company for overhead cuts. Ford has also announced the loss of 800 jobs. Profit before peoples' needs. When unprofitable to employ, workers are shed like so many leaves.

The class war is over. The 21st century will not be about the battle between capitalism and Socialism but between the forces of progress and conservatism.

Tony Blair. Labour Party Conference. September 1999.

CAPITALISM AND THE CLASS SYSTEM

Sometimes one wonders why the media feel it so necessary to continually inform us how the FTSE 100, the Dow Jones and the Nikkei Index are doing. After all, for most of us these figures are irrelevant and meaningless.

In fact, if you look into the statistics about wealth ownership, what is really striking is the fact that, generation after generation, a tiny minority class has retained ownership of the majority of capital in this country. Come hell or high water, in spite of past governments' redistribution policies, or Thatcher's "*popular capitalism*", not to mention PEPs, TESSAs, unit trusts and ISAs, the same very small percentage of the population remains firmly in control of the vast majority of capital, i.e. wealth used to create more wealth.

Here are some of the vital statistics. Back in 1955, the Oxford Savings Survey showed that only 5 to 7 per cent of all families owned any stocks and shares. Within that group, a tiny fraction, a mere 0.1 per cent of families with the largest holdings, owned about 20 per cent of all shares. In terms of individuals, this meant that, while only 3 per cent owned any shares at all, among these only 30 per cent, i.e. just 1 per cent of the whole population, owned 87 per cent of "*the total nominal capital issued*" (quoted from E A Johns *The Social Structure of Modern Britain*, 1965, pp 67-8). It does not take an Einstein to figure out that if one in a hundred owned nine-tenths of British share-capital, the other 99 per cent had to make do with just 10 per cent.

Moreover, things have not changed since then - at least, not so that you would notice. The government statistics are useful, up to a point. Take the following set of figures, for instance:

Marketable Wealth
(less value of buildings)

Percentage of wealth owned by:

	1975	'81	'86	'91	'94	'95
Most wealthy 1%	29	26	25	29	29	27
Most wealthy 5%	47	45	46	51	53	51
Most wealthy 10%	57	56	58	64	66	64
Most wealthy 25%	73	74	75	80	83	81
Most wealthy 50%	88	87	89	93	94	93
Least wealthy 50%	12	13	11	7	6	7

Social Trends, 1999 - Source: Inland Revenue

But "*marketable wealth*" includes a lot of things people own: cars, furniture, stereo systems, jewellery and so on. Moreover, since these figures are provided for by the Inland Revenue, we have to note the warning by the editors of **Social Trends** who tell us that the Inland Revenue figures "*exclude the wealth of the very wealthy, to avoid producing misleading estimates*" (p.235). So the apparent 2 per cent decline in wealth owned by the top 1 per cent may be creative accountancy, something to do with not paying taxes.

These figures are only of limited use to us. What they do not show is who owns the capital resources. What percentage of the population actually owns shares in British capitalism. Or, to put it another way, what percentage of the population are capitalists.

Again, **Social Trends** can be helpful. In an earlier edition we find the following statement:

Only those whose wealth is greater than £500,000 (about 1 per cent of the population) hold more of their wealth in shares than any other form (1996 edition, p111).

Looked at from another angle, this turns into the statement that 99 per cent of the population get their income mainly from sources other than the Stock Exchange.

If we discount the unearned incomes derived from rent and interest and profit, official statistics confirm what Socialists assert, ie that the vast majority of us do not own the means of production and distribution, the capital resources of the country, such as land, farms, mines, quarries, oil wells and oil platforms, factories and laboratories, airports and airlines, rail and bus networks, let alone supermarkets, department stores, petrol stations and DIY stores.

New Labour, aided and abetted by tame and uncritical sociologists like Anthony Giddens, have been plugging the Third Way and the hazy notion of a stakeholder economy. Perhaps, like Thatcher, they envisage some form of *popular capitalism, a share-owning democracy*. It may be that they believe this Utopia actually exists in the US.

If so, they might be in for a disappointment. Back in 1965, Mr Johns explained that inequalities of wealth were just the same as in the US as in Britain: "*the same impression of the extremely high concentration of share ownership can be obtained from the USA where 2 per cent of all shareholders own more than half the total number of shares*" (op.cit. p68).

Moreover, just as in Britain, this situation has not changed. As a recent American writer commented:

*The typical stockholder is a rare bird, hard to find and sparse in numbers. ... All studies show that in the premier capitalist nation there are damn few capitalists. (Nicholas von Hoffman **Capitalist Fools**, 1993, p207.)*

According to him, a study showed that in the 1980's 90 per cent of the personally owned corporate stock in the US was owned by just 10 per cent of households.

An Internal Revenue Service study concluded in 1986 that most of the corporate bonds and stocks owned by individual persons, not pension funds and the like, are in the possession of the less than 2 per cent of the population whose net worth is over half a million dollars. (Capitalist Fools, p 207.)

The obvious question had to be asked: "Who the hell owns American capitalism?"

Answer:

... One per cent of the adult population owns about 4 trillion, repeat 4 trillion dollars' worth of property. .. From a business point of view, few of us are in business. We are without capital. With but small exaggeration you can say that 10 per cent of the population more or less controls 100 per cent of the wealth. If the wage earner(s) lose his or her job(s), the average family has enough money to last 3 months before it is tapped out. (Capitalist Fools, p265.)

The only conclusion one can draw is that, whether in the past or the present, whether in Britain or America, whenever and wherever the capitalist system operates, the ownership of industry and business generally, through shareholdings, is concentrated, owned by a minority class. This class lives in luxury off the backs of the majority of us who have to sell our labour power as wage or salary slaves, scraping a living in order to enrich the already rich.

Also, whatever the reforms brought in by various governments, the fact is that this situation is much the same now as it was in our grandparents' time. There

seems little point in trying to reform a system with such structural, in-built, long-term inequality. This capitalist class system can be abolished together with the exploitation which results from it. It is surely high time to get rid of capitalism. Already the business press has started to carry articles about who owns the moon, not to mention ownership and control over the genes which make up the building blocks of life.

The working class, who run the capitalist system on behalf of and in the interests of this tiny percentage of capitalist parasites have no vested interest in continuing with this system of exploitation. We, as a class, have every interest in ending capitalism and replacing production for profit with Socialist production for use and common ownership, by and in the interest of the whole community.

Work Shy Parasites

"Brown orders crackdown on the work shy" screams out the front page of **The Times** (7 February 2000). However, it is not the capitalist class who live on the unearned income of rent, interest and profit the Chancellor has in mind. Instead it is the young working class resisting Labour's New Deal, a punitive measure to get people between 16 and 25 back into employment. Another case of the Labour Government attacking sections of the working class but conveniently ignoring the life of idle luxury of the class they politically serve.

OIL WARS

The political assassinations in Armenia's parliament in October 1999 reflect the current political instability of the oil-rich Caucasus region between Russia, Turkey and Iran. The turmoil in the region has become worse since the collapse of Russian state capitalism and the break up of the USSR in 1991 rendering a farce talk about a New World Order of peace and prosperity. Disorder and chaos marks out the capitalist world in the first decade of the twenty first century.

The cause of the wars, violence and anarchy in this part of the world is not nationalism. Nor is it religion. Instead it is oil. Billions of dollars' worth of oil has been discovered east of Armenia, in the Caspian Sea, in waters now controlled by Armenia's regional rival, Azerbaijan. The struggle over the control of this oil has led to bitter conflicts between the interests of one nation state and another. Britain, the NATO and US have all sided with Azerbaijan since they want to ensure unrestricted access to oil reserves in the region if other sources of oil are ever threatened or run out. Russia, Armenia and Iran in their turn all want to control the oil, its production and its supply.

Wars within capitalism have always been about the control of resources, strategic points of influence and trade routes. Western capitalist powers want to see a trade route for a pipeline that can carry crude oil to world markets. They do not want Russia or Iran to have a controlling influence. Western plans are constantly being dashed by the small wars that break out in the region. The Chechnya war of 1994-6, for example, was part of a regional power struggle for pipeline routes. US and British capital would dearly love to invest in the oil route out of the region for the potential huge profits it will bring and explains the intense diplomacy of the US government as it tries to further the interests of its collective capitalist class.

The current war in Chechnya is also likely to force an early deal for an oil

pipeline to carry Caspian oil to the West by-passing the unstable northern Caucasus region of Russia through a treaty between Turkey, Georgia and Azerbaijan, which has the backing of the US. Strategic considerations have to weigh up between the development of the \$2.4 bn BP-Amoco development and the competing pipeline, which currently exists from Baku to the Russian Black Sea port of Novorossiysk. Increasingly Russia sees the US and the West as strategically containing its own development and openings. To believe the Cold War ended with the break up of the Soviet Empire is nonsense and the conflict in this region will be one of more brutal and barbaric experience of capitalism in the first decades of the 21st century.

For Socialists it is both interesting and tragic to see the interplay of national forces at work because it resembles the Middle East and the scramble for a controlling influence of oil just after the First World War. The Caucasus region also highlights the negative and antisocial way nation states behave under pain of competition. It is simply absurd to have the world's resources divided up into so much private property ownership purely for profitable gain. Capitalism continually unleashes destructive forces, which leads to the death of millions of workers who have no interest in these conflicts. The conflict over oil in the Caucasus is just one more reminder of the need to end artificial national frontiers and open up the resources of the world to common ownership and democratic control by everyone.

CLASS AND RACE.

"The SPGB argues that the real basic (i.e. fundamental) division in society is that between the capitalist class on the one hand and the working class on the other. All other divisions, whether they be based on religion, nationality, language or 'race' are incidental to this main division... The class division cuts across all other divisions".

It follows then, that the race problem cannot be tackled successfully as a separate issue. "To attempt to solve the problem of race prejudice in isolation will meet with the same abject failure that has resulted from the efforts to end, piecemeal, the various other evils of the capitalist system".

THE RACIAL PROBLEM. SPGB pamphlet.

IS SOCIALISM POSSIBLE?

In 1920, Ludwig von Mises, an Austrian economist, declared Socialism to be logically impossible on the grounds that, without private property ownership of the means of production, there cannot be competitive markets for commodities; that without a market for commodities it is impossible to determine their price; and without knowing their price, economic rationality is impossible because choices in production cannot be made between different options (*Economic Calculation in the Socialist Commonwealth*, in **Collectivist Economic Planning**, ed F A Hayek, 1935). Prices, for von Mises, acted as signals and were the only form of communication through which information could be transmitted over the areas of production, distribution and consumption.

However, von Mises's argument is way off target because his case was not addressed to the Socialism of common ownership and democratic control of the means of production and distribution by all of society. He attacked an aspect of capitalism he disagreed with and erroneously thought it was Socialism. His gripe was with state capitalism and bureaucratic planning of commodity production and exchange.

Von Mises had more in common with those he attacked than with Socialists since the Social Democratic parties and the Bolsheviks both accepted commodity production and the wages system. Nevertheless his modern day supporters have tried to extend his argument to cover the Socialism of the SPGB even though Socialism is not predicated on centralised planning as such. Planning can be local responding to immediate needs or it can be at a strategic level, but one thing is sure and that is it cannot be imposed. Planning within Socialism will not be the same as attempts to plan under capitalism. Socialism will not be burdened by the anarchy of capitalist production where production takes place for profit, not to meet social need. Planning will be democratic, open and transparent.

What democratically planned arrangements for production a future Socialist society will make cannot be anticipated in advance. We cannot write blue prints for the future. Production and distribution in a Socialist society will not be the same just after the revolution as it will be some three or four decades later. Advances in technology and science and changes in social relationships and patterns of living will have a marked bearing on how Socialism will evolve and the planning processes adopted. What we do say, though, is that Socialism is possible now. There is no reason why capitalism, technically, cannot be replaced with Socialism. The means of production currently has the potential to meet the needs of all of society. The existence of co-operative social labour necessary to ensure production meets social need also exists. More to the point, the forces of production, including labour, conflicts with the class relations of production which is demonstrable in the millions of unemployed workers throughout the world.

What does not exist, though, is a Socialist majority. This is the final and most important ingredient to ensure that Socialism will work and production will meet human needs. This is the current stumbling block, not the metaphysical ramblings of liberal economists. However, there is no reason to suppose that a Socialist majority will never exist in the future just as there was never any reason to suppose that the human species could not get to the moon and back. The way in which the calculation of goods and services would take place in a future Socialist society in order to meet human needs would take into consideration the health and safety of producers, the use and management of energy, the state of technological development, environmental considerations and other priorities introduced into the productive process by the democratic agreement of society. So what is the problem?

The calculation argument fails when the undeclared premises of von Mises's argument are exposed and disposed of. There are seven fallacies. First there is no such thing as natural rights nor the fictional primitive capitalism found in the writings of John Locke (**Two Treatises of Government**) and Adam Smith

(**The Wealth of Nations**). Second, we are not autonomous individuals but can only exist as interactive social beings within social relations and through social production. "No man is an island", wrote John Donne. Third, the scarcity postulate of economics is a fiction because capitalism limits production only to buying customers on the basis of the profit motive. If there was scarcity why burn crops, stockpile grain, under-use agricultural land and create unemployment? Fourth, there is no such thing as "*infinite demand*". What does it mean to have an infinite demand for toothbrushes? Can you have an infinite demand for the range of products people need to lead necessary and worthwhile lives? Fifth, rationality and efficiency mean different things to a capitalist society based on profit than to a Socialist society based on directly meeting needs. Much of what is produced and sold in capitalism is duplicated, of poor quality and trivial. Sixth, economics is historically bound up with its categories like capital and wages and as a body of ideas it is confined to a specific period of history. Outside the historical contours of the ownership of capital and commodity production for profit, economics has no significance. And seventh, capitalism is not rational but wholly irrational. It proceeds by creative destruction through the anarchy of the market passing from one crisis to the next. It is an irrational social system because in economic depressions unmet needs exist simultaneously with the destruction of goods, idle machinery and millions of unemployed workers. Professor von Mises might wax lyrical about the rationality of economic calculation under capitalism but the reality is that the market distorts information and is highly inefficient from the perspective of meeting social needs.

As for the supposed information carried by prices, the reality is altogether different. There is no way, for example, that the economic activity of capitalism can inform individuals through the market of the damage commodity production is inflicting on the environment. The free market in early 19th century Britain, in its voracious exploitation of female and child labour, almost undermined the ability of the working class to reproduce itself while the disappearance of the bison herds in the US similarly shows the

destructive consequence of free markets and the lack of information carried by price signals. It is precisely because of the failure of the free market in dealing with the social cost of individual transactions in the market that the capitalist state has had to intervene in the economy. This is not to defend the capitalist state, only to show the naivety of von Mises's conception of the world in which we live. Socialists deal with capitalism, as it really is, not as some idealised fiction in the mind of an academic.

Socialists do not have to accept the framework in which von Mises sets out his criticism of planning production. Why cannot Socialists make rational production decisions when all the technical information will be at hand to make those decisions? Information in a Socialist society will be open and transparent, unlike under capitalism, where it is shrouded in secrecy. Would the market have ever shown to consumers important information regarding farmers feeding human excrement to cattle? What information is there in price signals to show the damage being done to the ozone layer? Prices are highly selective in the information they give. Productive information in capitalism is contained within private property ownership to the exclusion of the rest of society.

The underlying theory of human life in von Mises's model is anarchic individualism and the rational economic argument lacks any coherence outside this framework. Socialists do not have to accept either the premise of his argument or the conclusion. The Robinson Crusoe economy is a fiction. Professor von Mises cannot grasp that individuals are both social and co-operative, and enter into definite relationships with each other independent of their will. That the producers of goods in a Socialist society will also be the consumers is passed over in silence by von Mises.

So why have von Mises and his supporters been taken so seriously? Part of the answer has been the demonstrable failure of state capitalism but then this failure has nothing to do with Socialism. It is hardly surprising that those who

used to write for **Marxism Today** and **The New Left Review** have fallen in love with the market and launched their oxymoron, "*market Socialism*", but that is their problem not ours.

The more important reason is that those who started off as Socialists and ended up as rabid supporters of "free trade" never understood the Socialist case to begin with. Their politics was and is Anarchism, what Marx called the politics of the petit bourgeoisie or petty traders. Professor von Mises begins from autonomous individuals and ends up with autonomous individuals. The only connection between one person and another is exchange. If you believe these unsupportable myths you will believe anything. However Socialists do not start out from this perspective. The starting point of von Mises is the interests of capitalists and the starting point for Socialists is the interests of the working class. That is why von Mises cannot deal with production and workers engaged in production.

Socialism will allow free men and women to flourish as human beings and to realise their creative potential as social and co-operative individuals. The primacy of production will be to produce high quality goods and services, which are environmentally sustainable and meet human needs. What is more rational than this? Socialist society would have integrated communication systems, stock analysis control, information technology, the administration of things and an active and participatory majority. Yes, Socialism will work. Even today workers run capitalism from top to bottom, albeit not in their interests. To believe that when given the opportunity to run a social system in their own interests workers would commit social suicide by being technically unable to calculate various production processes to meet social need for themselves is both insulting and irrational.

WORK IN SOCIALISM

Questions from Hyde Park audiences tend to be predictable. You get the usual 'human nature' objections: what about the lazy/greedy people? Also the "*what about Russia?*", and similar old chestnuts.

Once in a while you get something more interesting, a question that's a bit different. This question was about how work would be allocated in a Socialist society: how would it be decided who would do what.

The Socialist Party of Great Britain has always held that, at this stage, we cannot lay down detailed blueprints for Socialism. After all, the Socialists of the world are only a minority at present. Later, when Socialists are clearly becoming a majority, that will be the time when more detailed discussion and planning will be possible and useful.

However, it is interesting that this same question - about how it would be decided who would do which jobs - was already considered by Thomas More in his book 'Utopia', written in 1515.

In More's period, work on the land was regarded as hard and disagreeable. More's suggestion was that, in Utopia, the people of the cities all took their turn at farmwork for at least two years - the first year learning the ropes and the second year passing on their skills to other novices. That way, wrote More "*no man shall be constrained against his will to continue long in that hard and sharp kind of life*". But if they found they liked the work, they could stay on longer if they wished.

In short, More's solution would be a rota system operating for boring and disagreeable work, where not too much skill was needed. Of course, farming in Tudor times was very different from farming now, particularly in the amount of technical knowledge needed.

But there remain today many jobs of a boring, repetitive, disagreeable nature, where little skill and no special training is needed. These are jobs like rubbish collection, street cleaning, cleaning in offices, hospitals, etc. Under capitalism these are usually low-pay, low-status jobs, and few people would do them from choice.

In a Socialist society, there will be at least some such work which will still need doing. Probably a rota system where everyone takes their turn, for a short time, would be a fair way of deciding who should do such work - work which everyone is capable of doing because there is so little skill needed.

However, there would also be other types of work where a rota system would not be suitable. The classic examples are high-skill work - the work of brain surgeons, airline pilots, maintenance engineers and many others on whose technical competence we all depend. This is work requiring a great deal of training, knowledge and experience, where the results can be catastrophic if anything goes wrong.

Of course, there are some contemporary Utopians who imagine that with the end of capitalism there will be an end to modern industry and technology, farming will revert to the horse-drawn hand-plough and the scythe, and machinery will no longer be needed in agriculture, industry or transport. They imagine that humanity will forget about - and do quite well without - modern discoveries in chemistry, engineering and telecommunications.

So would Socialism take us back to the horse and buggy? We think not.

For one thing, capitalism is going to leave a legacy of environmental problems to grapple with. The legacy, for instance, of nuclear waste: how to manage this to prevent it becoming a hazard will be a technical challenge for generations to come. You cannot wish this sort of problem away, and it cannot just be left.

In other areas, under capitalism new chemical and pharmaceutical processes have been developed which have created products of enormous use in medicine. You cannot imagine modern medicine and surgery without highly developed technological equipment, from forceps and scalpel through to advanced diagnostic (x-ray and scanning) equipment, not to mention the equipment of the anaesthetist, and drugs used to control pain, to fight off disease and to control chronic conditions. In a Socialist society, there will still be some sick people, accidents and difficulties in childbirth. We cannot imagine a Socialist society throwing away the tools for the job. Socialists would want to build on the technical achievements of modern industry, not to reject them out of hand.

Neither can we imagine such a society trying to manage without a worldwide telecommunication system. This too requires the continuance of the most advanced electronic technology capitalism has so far developed. Modern industry and agriculture relies increasingly on computer systems. Manufacturing industry is now 'computer aided' - ie computer-dependent - at every stage and in all processes: from design, quality testing, stock control through to the end-users' feedback, via computer networks, indicating the level of future output needed. Agriculture, like industry, uses satellites, both to provide climatic and other data, and as a means of international communication.

So, like it or lump it, a Socialist society, building on the achievements of capitalism, will have a real need for highly skilled people, with specialist skills, in medicine and surgery, engineering and electronics, chemistry, physics and other sciences. Such work cannot be organised on a rota basis. Selection in these fields would have to be on the basis of competence.

The underlying principle of a Socialist society would be the straightforward, commonsense principle of "*from each according to (their) ability, to each according to (their) needs*". That would mean that, unlike in capitalism, there would be no special rewards for those with special skills, no favours for the highly skilled as compared with the unskilled. All would receive according to their various needs, just as all would contribute according to their various abilities.

Farming in Crisis

Farming is in crisis. The countryside is full of bankrupt farmers, empty farmhouses and un-used agricultural land. Some 20,000-pig farmers have lost their jobs over the past 18 months alone. All this and millions starve throughout the world because they do not have enough to eat. This is the irrational absurdity of capitalism with its anarchic commodity production and exchange for profit.

The government cannot help. It already pours into agriculture millions of pounds worth of subsidies. All Mr Blair can tell farmers is to compete more efficiently. Although British farming, in terms of profitability, is among the most "efficient" in Europe that still did not stop a crisis occurring.

In fact farming is inefficient in the true sense of the word since it is bound up with the profit system. For many decades farming has had the potential to produce enough to feed everyone. However, the very narrow constraints dictated by profit restrict what can be produced. No profit means no production.

All attempts by governments at reforming away the social problems caused by the contradiction within commodity production have ended in failure. In the US foodstuffs, like wheat and fruit, are periodically destroyed. The Economic Community's Common Agricultural Policy is in ruins. CAP cannot be scrapped because of fear of widespread farming bankruptcy and unemployment throughout the EC. The EC stockpiles agricultural produce in an attempt to keep up prices but prices continue to fall. It's all a shambles. Just what you would expect from capitalism.

Capitalism goes its own way despite it causing pain, discomfort and economic ruin. And in so doing it highlights its anti-social nature and why it urgently needs to be replaced with Socialism.

MARX AND CAPITAL ACCUMULATION

Dow Chemicals (who recently paid out millions of dollars compensation to women for faulty products) has paid \$12 billion (£7.4 million) for Union Carbide (responsible for many deaths caused by their gas leak in India) to create the world's second biggest chemical group with a market value of \$30 billion. There are now four major chemical multinationals in the world besides the new Dow Chemicals employing tens of thousands of workers. Such huge companies were not known in the 19th century and were discounted by Edward Bernstein in his revisionist attack against the distorted Marxism of the Second International (*Evolutionary Socialism 1889*).

The Dow Chemical-Union Carbide merger is only the beginning of a new spate of mergers and take-overs by the large multinationals. BOC Group, the British industrial gases company, has accepted a £7.2 billion takeover by Air Liquide of France and Air Products & Chemicals of the US who will split the BOC assets. Akzo Nobel has bought Britain's Courtaulds and Clariant of Switzerland is trying to buy Laporte. In 1992 multinational organisations were already employing 73 million workers, 10% of global non-farm jobs and 20% of jobs in the wealthiest countries. The largest 100 multinationals controlled one quarter of all global output (A Engler, *Apostles of Greed: Capitalism and the Myth of the Individual in the Market*, p 39). According to the World Investment Report (1994, published by the United Nations), multinational companies indirectly employed another 77 million workers.

But if Bernstein got the historical tendency of capitalist accumulation wrong, and little is to be found on the subject in academic economic textbooks, it would have been no surprise to Karl Marx who anticipated the tendency decades before the first multinationals were formed. In *Capital* he showed that the law of competition forced on competing businesses a kill or be killed existence, large companies either destroyed or absorbed smaller ones, thereby centralising and concentrating capital into fewer and fewer hands.

Marx showed that this process was accelerated by economic crises and depressions where unsold stock, plant, factories, offices etc (constant capital) and the mental and physical ability to work for a wage or a salary (variable capital) could be bought by companies on the cheap.

In the chapter Historical Tendency of Capitalist Accumulation (**Capital I, ch XXXII**), Marx sketches out the development of capitalism.

One capitalist always kills many. Hand in hand with this, centralisation develops on an ever-extending scale, the co-operative form of the labour process, the conscious technical application of science, the methodological cultivation of the soil, the transformation of the instruments of labour into instruments of labour usable in common, the economising of all means of production by their use as the means of production of combined, socialised labour, the entanglement of all peoples in the net of the world market.
p714

Marx then goes on to link this tendency with the class struggle:

Along with the constantly diminishing number of the magnates of capital, grow the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organised by the very mechanism of capitalist production itself

and he concludes:

The monopoly of capital becomes a fetter upon the mode of production ... Centralisation of the means of production and socialisation of labour at last reach a point where they become incompatible with their capitalist integuments (skin). This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

Marx gives no time period in which this process will take place. It is a historical tendency, which can have countervailing forces much in the same way as the falling rate of profit. Social reforms, anti-monopoly acts and anti-trust laws are but three. Nevertheless the tendency is there.

Marx gets faint praise from academic economists for his far reaching insights into the law of motion of capitalism partly, out of ignorance and partly out of the fear of his revolutionary conclusion with capitalism being replaced with Socialism by the conscious political action of the working class.

One academic who did acknowledge Marx's predictive power was the American economist, W Leontiev. Commenting on Marx's theory of the historical tendency of capitalist accumulation he wrote:

The record is indeed impressive: increasing concentration of wealth, rapid elimination of small and medium-sized enterprises, incessant technological progress accompanied by the ever-growing importance of fixed capital, and last, but not least, the undiminishing amplitude of recurrent business cycles - an unsurpassed series of prognostications fulfilled against which modern economic theory with all its refinements has little to show indeed.

W Leontiev, Proceedings of the 50th Annual meeting of the American Association 1937, quoted in **Rousseau to Lenin: Studies in Ideology and Society**, L Colletti, p 53, Monthly Review Press 1974.

W Leontiev is no Socialist. It is rare for economists to write about Marx in such a positive way. As rare for example as for a theologian to write in favour of the non-existence of God.

THE MISERY OF CAPITALISM

"*Increasing misery*" Marx wrote of Capitalism. A cursory glance through the newspapers shows how miserable capitalism had become by the end of the last century. For the working class who suffer the stress and worry of exploitation and unemployment there is no let up.

In the space of two weeks three harrowing cases came to light of the way in which overwork and unemployment leads to a premature death.

The first example concerns the case of the surgeon, Nicholas Inguedew, who cracked under the relentless pressure of a heavy workload. Mr Inguedew worked 220 hours in ten days when employed as a junior hospital doctor. He suffered a nervous breakdown. He was arrested in a confused state but escaped on the way to a mental institution but was found drowned a day later (*Times*, 11 November 1999.)

The second example is of the scientist, Timothy Stone. He was made redundant and suicide quickly followed. At his inquest his stepdaughter said:

... We are certain of one thing: none of this would have happened if Tim had not lost his job. Losing his job was the start of his downfall. It was a downward spiral he never came out of (*Times*, 12 November 1999).

The third example (*Times*, 19th November 1999) concerned the case of two company directors who were found guilty of corporate manslaughter after ignoring the excessive working hours of one of their drivers who fell asleep at the wheel of his lorry causing a fatal crash. The driver often worked 60 hours a week without proper breaks. No prison term, fine or compensation can bring back the dead. The pressure for profit under pain of competition, the need to bring in more wages through overtime and these are the outcome of an anti-social system of production. During the trial the reality of capitalism was ignored. Conveniently individuals were blamed and not the system itself.

All three examples highlight the misery of capitalism. It is anti-social and unpleasant. It has a voracious hunger for profit through the exploitation of workers. It has no interest in the lives of workers. Capitalism and the process of commodity production for profit is completely indifferent to those sacked because they no longer can be profitably employed.

Is this really the social system workers want to live in during the 21st century?

Marx on Technology

The media claim that the introduction of information technology and computers will mean less work and increased leisure. This prosaic romanticism should be taken with a pinch of salt. Capitalists do not introduce technology to unburden the stress and discomfort of employment. Technology is used by employers against workers as an aspect of the class struggle.

Marx, whose feet were firmly on the ground and who had a good grasp of what motivates employers had this to say about technology:

The automatic workshop opened its career with acts which were anything but philanthropic. Children were kept at work by means of the whip; they were made an object of traffic and contracts were undertaken with orphanages. All the laws on the apprenticeship of workers were repealed. ... Finally, from 1825 onwards (the date of the first economic crisis), almost all the new inventions were the result of collisions between the worker and the employer who sought at all costs to depreciate the worker's specialised ability. After each new strike of any importance there appeared a new machine. So little indeed did the worker see in the application of machinery a sort of rehabilitation, ... that in the eighteenth century he resisted for a very long time the incipient domination of automation ...

... In short, with the introduction of machinery the division of labour inside the workshop has increased, the task of the worker inside the workshop has been simplified, capital has been concentrated, the human being has been further dismembered.

Karl Marx, *The Poverty of Philosophy*, Chapter 11: The Metaphysics of Political Economy. Moscow edition, 1976, p130.

WHERE WE STAND ON THE QUESTION OF POLITICAL POWER

The letter printed below was sent to the American journal **Discussion Bulletin** setting out the Socialist Party of Great Britain's opposition to the theories of Daniel De Leon and his latter day supporters who believe in a two-fold political plan: the organisation of a working class political party and the establishment of a nationwide union. De Leonists believe that once a Socialist majority has indicated their intention of voting for Socialism the capitalists would close down the balloting process.

The Socialist Party of Great Britain rejects the De Leonist position that when the workers' movement begins to really challenge the position of the capitalist class the latter would suspend parliament. The suspension of parliament would, in the first instance, abolish the right of the workers to combine and would thus put a legal end to all forms of working class combination, trade union as well as political. But the cost to the capitalist class, of the permanent suspension of the Constitution would be the end of their own rule and the beginning of chaos. The state machine would be unable to function, owing to the conflicting views among civil and military employees of the government.

The size and complexity of a modern nation is so great that the time has long since gone by when members of the ruling class could occupy any considerable number of administrative posts and manage any appreciable part of its activities. From top to bottom, all departments are filled by paid or elected officials and only a very few of whom are drawn from the capitalist class itself. Practically all the work of controlling the activities of society today is performed by people who depend for their individual livelihood upon the pay they get for the work they do - as members of the working class.

The attitude of the Socialist Party of Great Britain on the need to gain control of the political machinery has been logical and consistent. We hold the same

view as Marx as to the necessity of the workers gaining control of the machinery of government before they can establish Socialism. We also hold Marx's view that in the advanced capitalist countries the vote will give that control. The one way to prevent the capitalists from using political power against workers is to refrain from voting them and their agents into political power. We have accordingly always urged the workers not to vote for any candidate who is a supporter of Capitalism.

Dear Discussion Bulletin

We read with interest the De Leonist Society of Canada's reply to the General Secretary of the Socialist Party of Great Britain and to the letter from C Skelton (Discussion Bulletin No.98).

The De Leonist Society of Canada states that the capture of political power is not sufficient for Socialism to be established. They go on to state that the difference between themselves and the SPGB is that the DLSC advocate:

"Both political and industrial working-class unification."

And then they criticise the SPGB for limiting its concern "to the political field".

This deserves an answer.

Let us first consider exactly what is the economic "power" the capitalist class enjoy.

The employers monopolise the means of production and distribution and only activate production if a profit is to be made. From this position of power they are able to force workers onto the labour market to sell their labour power for either a wage or a salary. Once labour power is bought it is then exploited and

the commodities produced by workers are subsequently sold on the market to realise a profit.

One important factor, which should not be left out of the equation, is that the capitalist class are no longer within the productive process any more. This factor has an important bearing on the different perspectives of capitalism by the SPGB and DLSC respectively. The working class, which includes salaried managers, now runs capitalism from top to bottom although not in their own interests.

So why does the capitalist class enjoy economic power? The answer is because the machinery of government protects their ability to own and control the means of production and direct it towards profitable activity. The machinery of government is controlled through Parliament, or its equivalent, by the ballot and at present it is a majority of non-Socialist workers who vote capitalist politicians back into power.

Political power and economic power should not be seen as simultaneous activities necessitating a dualist Socialist response. The employers' economic power is dependent upon their political power, which the working class currently legitimise at elections.

The DLSC's letters goes on to assert:

"Without political organisation, the labour movement cannot triumph; without economic organisation, the day of its political triumph would be the day of its defeat."

Let us unpick this assertion. It has always been the position of the SPGB that a Socialist majority would not only be organising for the conquest of political power but would also be organising and planning, in trade unions and elsewhere, for the smooth transformation from production for profit to production for social use.

The problem for the DLSC is that they cannot drop the old De Leonist dogma that having no direct role in production and having lost the battle of ideas, in the lead-up to the Socialist revolution the capitalists could "Still order the shut down of some sectors of production and distribution that are vital to the life of the nation." Production and distribution is not like this any more. The Socialist Industrial Union idea of a capitalist class disrupting production is pure romanticism for the past. The power they give employers was as inapplicable in De Leon's own day as it is in our own.

Do the DLSC seriously believe the capitalists would have the capacity and wherewithal to shut down anything? They would not know where to begin. Who would listen to the employers? Certainly not the Socialist majority, who will be present in all areas of production and distribution. How would they do it? Such political childishness beggars belief.

And why does the DLSC suppose that, in organising democratically for a society based upon the common ownership and democratic control of production and distribution by all of society, a Socialist majority would disregard forms and processes of industry necessary to meet human need? But it would be folly to try to end the class system without taking the necessary steps to ensure that the employing class cannot use the forces of the state to defend their interests. That is why, as Marx and Engels argued, "Every class struggle is a political struggle".

The disagreement between the Socialist Party of Great Britain and the De Leonists over the political means to pursue a Socialist objective has been going on intermittently for nearly a century. However it is not some arcane theological dispute. The SPGB wants to focus the working class's attention on where political power is situated in order to remove the economic power of the employers to exploit and pursue commodity production for profit. In this respect the De Leonists have been an impediment on workers for the clear understanding of capitalism necessary for establishing Socialism.

The Midas Touch

In classical mythology, Midas was granted his greedy wish: everything he touched turned to gold. Disastrously as it turned out.

The modern Midas formula of American mathematicians, Scholes and Merton, which won the 1997 Nobel prize for economics, was guaranteed to take the risk out of gambling on stocks and shares. The trick was to eliminate risk by hedging your bets, a strategy well known to bookies and gamblers generally, and no unknown to stock exchange traders.

The belief that this formula had eliminated all uncertainty attracted billions of dollars to the professors' new investment fund, Long Term Capital Management, confident that it could not fail. However, in capitalism the unexpected is always possible. First, the Asian economies crashed, and then Russia defaulted on foreign loan repayments.

The Midas theory claimed that the more you invested, the less likely you were to lose. So by the time LTCM crashed, increasingly vast sums were being sucked into a sort of financial black hole, guaranteed to lose. As with the South Sea Bubble, greedy speculators were easily gulled into believing that you can take the risk out of capitalism.

Moral: whether in gambling casinos, at racecourses, or with the lottery, and least of all when betting on capitalism's random uncertainties, such as share price movements, there is no such thing as a *dead-cert* winning formula.

100 Years Defending Capitalism

The Labour party is prematurely celebrating 100 years of defending capitalism and the interest of the capitalist class. Tony Blair's Labour Party centenary dinner, to be held on 15th April in a hotel where only the rich can regularly dine, is going to cost those invited £500 per head.

Corporate capitalists, however, will get a better deal. If they book a whole table for ten then they will have the pleasure of a Labour MP to entertain them during the celebrations.

It seems that the only workers present will be the waiters and the master of ceremonies. He, no doubt, will ask those assembled to raise their glasses of expensive champagne and toast the Labour Party, their party, the party of the rich and privileged.

AUDIO TAPES

We are pleased to offer tapes of the following lectures etc. held over the past months.

	SPEAKER(S)
A. WELFARE SYSTEMS. From Poor Law to Pensions.	C. Skelton.
B. MARXISM AND THE SINGLE CURRENCY.	J. D'Arcy.
C. UNEMPLOYMENT - a global problem.	R. Lloyd.
D. WORLD CAPITALISM IN CRISIS.	R. Lloyd. & C. May.
E. RUSSIA'S ECONOMIC CRISIS.	J. D'Arcy.
F. DEBATE WITH FREEDOM ASSOCIATION. "The single European currency is of no concern to the workers". For the SPGB: R. Lloyd. For Freedom Association: G. Hartup	
G. SOME THOUGHTS ON CAPITALISM	C. May.
H. MARX, BERNSTEIN AND THE PRECONDITIONS OF SOCIALISM	R. Lloyd.
I. SOME ASPECTS OF MARXIAN ECONOMICS	J. D'Arcy, R. Lloyd.
J. CAPITALISM'S FAMINES - AN INCURABLE PROBLEM	C. Skelton.
K. ART, LABOUR & SOCIALISM	J. D'Arcy
L. WAR IN THE CHAOS OF CAPITALISM	
M. POLITICS IN THE CHAOS OF CAPITALISM (These were the subject of our 8th Summer School. Speakers: R. Lloyd & C. Skelton).	
N. THE FUTURE - OUR VISION - OR THEIRS ?	R. Lloyd.

Price £2.25 each including postage and packing. Please order by letter and send cheque made payable to Socialist Studies to our Head Office.

TED WARNECKE. Obituary.

We are sorry to report the death of yet another of our members. Ted died at the end of January in his 78th year.

He joined the Socialist Party of Great Britain way back in 1947 and was attached to the old Ealing Branch, where he acted as Secretary for over 20 years. He was a regular supporter at their outdoor meetings on Ealing Green, and at their lectures. He was also responsible for many years for the extensive library at Head Office.

After we re-constituted the SPGB in 1991, Ted remained in the Clapham Party, but in 1995 he resigned and joined us. His letter of resignation from Clapham included the statement... "I do not consider that your E.C. work to carry out the Object and Principles as outlined in your membership card".

Ill health prevented him from joining in with our organised activity, but in his personal way, he was a true advocate for a new way of life.

To his wife and son, we offer our condolences.

THE SOCIALIST PARTY OF GREAT BRITAIN

NORTH WEST LONDON BRANCH

meets at 7.30 pm on the first Monday in the month at
Abbey Community Centre, Belsize Road, London NW6.

Secretary C. May, 71 Ashbourne Court, Woodside Park Road,
London N12 8SB

CAMDEN / BLOOMSBURY BRANCH

meets at 6 pm on the 4th Tuesday of month at
Marchmont Community Centre, 62 Marchmont Street, WC1
Correspondence to the Secretary, S.P.G.B., 31 Caernarvon Road,
Eynsbury, St. Neots, Cambs. PE19 2RN (Tel: 01480 403345)

All meetings are open to the public and visitors are welcome.
Those wishing to find out more about the Party and its activities
should contact the Secretary.

LECTURE LIST. 2000.

Sunday 26 March
**THE MEANS OF PRODUCTION
AND COMMON OWNERSHIP** Speaker: T. D'Arcy.

Sunday 9 April
MODERN ANARCHISM Speaker: T. D'Arcy.

Marchmont Community Centre,
62 Marchmont Street, London WC1.
(5 mins. Russell Square Tube Station).

Meetings commence 3 p.m.
Questions - Discussion - Admission Free

SUMMER SCHOOL

This will be our 9th Summer School and it will be held on Sunday June 11th. It was on that date way back in 1991 that members of Camden and N.W. London Branches who had been expelled from the Clapham 'Socialist' Party formerly re-constituted The Socialist Party of Great Britain.

The Title of this year's school is:-
100 years of the Labour Party -
a critical assessment

Venue: Marchmont Community Centre
62 Marchmont Street, London WC1

First Session: 12 noon
1.30 - 2.30 Light Buffet Luncheon.
Second Session: 2.30 p.m.

PUBLICATIONS. 2000.

We shall be publishing 3 more issues of Socialist Studies during 2000, dealing with topical and theoretical subjects. The subscription rate for these three is just £2.00 inc. post. Please make your cheque to Socialist Studies and send to our Head Office: 71 Ashbourne Court, London N12 8SB

LITERATURE AVAILABLE

Socialist Studies - our official journal
Issues Nos: 1 - 35 @ 50p each

Socialist Principles Explained

The Object and Declaration of Principles
25 p.p. Pamphlet 75p

Banking & Credit Myths

A Socialist View 60p

Socialist's Handbook 75p

Questions of the Day pamphlets: - 50p each

No.1. Inflation: Cause and Effects

No.2. Unemployment and Recessions.

No.3. Marx - Modern History and Economics.

No.4. The Socialist Party of Great Britain and the Trade Unions.

No.5. Why Socialists oppose the Labour Party.

No.6. The Continuing Trade War.

The Materialist Conception of History Price £1

Our pamphlet looks at the theory of the MCH
and relates it to 20th Century Capitalism.

War and Capitalism Price £1

Examines the cause of war and the Socialist opposition.

Women and Socialism Price 80p

Marxism in the 21st Century Price £1

A new pamphlet covering essential aspects of Marxian economics.

The Communist Manifesto in the 21st Century Price 80p

Economic Crises. Special Supplement No. 1. Price £1

Economic Crises. Special Supplement No. 2. Price £1

LITERATURE - SPECIAL OFFER

For an in-depth study of the case of
The Socialist Party of Great Britain
we have 3 special offers.

A full set of our journal nos. 1-35 for £7.00.

A complete set of all our pamphlets (16 in all) for £9.

Or all our journals and pamphlets for only £12.50.

ORDERS TO OUR HEAD OFFICE.

71 Ashbourne Court, Woodside Park Road, London N12 8SB
(Please make cheques payable to SOCIALIST STUDIES).

- Postage stamps acceptable for individual items -

ALL PRICES
ARE
INCLUSIVE
OF
POSTAGE

THE SOCIALIST PARTY OF GREAT BRITAIN

OBJECT

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

DECLARATION OF PRINCIPLES

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP TO...

The Socialist Party of Great Britain,

71 Ashbourne Court, Woodside Park Road, London N12 8SB